

UNCLASSIFIED

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ACTION ARA-14

INFO OCT-01 ISO-06 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PM-05 H-01 L-03 NSC-05
PA-01 PRS-01 SP-02 SS-15 USIA-06 MCT-01 DHA-05
AID-05 FRB-03 TRSE-00 XMB-02 OPIC-03 OMB-01 SSO-00
OPR-02 SY-05 USSS-00 CA-01 SCS-03 /105 W
-----060822 271959Z /56

P 271430Z OCT 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 2911

[REDACTED] BUENOS AIRES 8030

E.O. 11652: N/A
TAGS: ELAB, SHUM, PINS, ASEC
SUBJECT: RAILWAY STRIKE AND MOUNTING TERRORIST VIOLENCE
IN BUENOS AIRES

1. THIS MORNING'S PRESS REPORTS THAT A WILDCAT STRIKE OF SIGNALMEN WHICH INTERRUPTED TRAIN SERVICE ON A MAJOR INTERURBAN RAILWAY LINE YESTERDAY WAS SUSPENDED LAST NIGHT AS A RESULT OF AN AGREEMENT BY GOVERNMENT AUTHORITIES TO MOVE UP THIS MONTH'S PAY DAY BY A FEW DAYS AND TO DISCUSS FURTHER THE RAILWAYMEN'S DEMANDS FOR HIGHER WAGES. HOWEVER, TRAIN SERVICE ON THIS LINE WAS STILL VERY IRREGULAR THIS MORNING AND IT IS NOT CLEAR IF THE STRIKE IS REALLY OVER.

2. THE RAILWAY LINE CONNECTS BUENOS AIRES WITH WORKING CLASS BEDROOM COMMUNITIES TO THE SOUTH LIKE QUILMES AND LA PLATA. THE FLASH STRIKE IS POTENTIALLY SIGNIFICANT BECAUSE IT AFFECTS A LARGE NUMBER OF WORKING CLASS COMMUTERS AND BECAUSE IT TAKES PLACE AGAINST A BACKDROP OF SMOULDERING WORKER DISCONTENT OVER THE DRASTIC DECLINE IN REAL WAGES WHICH TOOK PLACE AT THE END OF 1975 AND EARLY PART OF 1976 AND WHICH THE CURRENT GOVERNMENT HAS DONE LITTLE

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TO CORRECT. AS THE GOVERNMENT'S POLICY ON WAGE INCREASES

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ARGENTINA PROJECT (S200000044)
U.S. DEPT. OF STATE, A/RPS/IPS
Margaret P. Grafeld, Director
(X) Release () Excise () Deny
Exempted from:
() In Part (X) In Full Declassify on
() Classify as () Extend as () Downgrade to
Date Declassify on Reason

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IS LINKED TO PRODUCTIVITY INCREASES, WAGES ARE RELATIVELY MORE DEPRESSED IN THE DEFICIT-RIDDEN STATE RAILWAYS THAN IN OTHER INDUSTRIES.

3. AN AUTO WORKERS' STRIKE TWO WEEKS AGO IN THE RENAULT (IKA) PLANT IN CORDOBA OVER WAGES WAS PUT DOWN BY FORCE WHEN THE MILITARY OCCUPIED THE PLANT AND THE COMPANY FIRED 156 WORKERS. REPORTEDLY SOME OF THE WORKERS WERE ARRESTED AND OTHER WOUNDED BY THE TROOPS WHEN THEY ENTERED THE FACTORY.

4. THE RAILWAY STRIKE ALSO TAKES PLACE AGAINST A BACK-DROP OF A SUDDEN INCREASE OF TERRORIST VIOLENCE IN THE FACTORY DISTRICTS AROUND BUENOS AIRES. THE HOME OF A CHRYSLER INDUSTRIAL RELATIONS MANAGER WAS RECENTLY BOMBED; THE PERSONNEL MANAGER OF THE PHILLIP MORRIS TOBACCO SUBSIDIARY IN ARGENTINA, WHO WAS RECENTLY KIDNAPPED, REPORTEDLY WAS FOUND DEAD BY POLICE IN A MONTONERO SAFEHOUSE; AND A YPF MANAGER AND A TECHNICIAN OF A LOCAL CERAMICS COMPANY INVOLVED IN A LABOR CONFLICT WERE RECENTLY ASSASSINATED IN SEPARATE INCIDENTS. A MILITARY OFFICER IN CHARGE OF THE BUENOS AIRES COMMUNICATIONS SYSTEM AND AN ADVISOR IN THE PRESIDENTIAL PALACE WERE ALSO ASSASSINATED IN SEPARATE INCIDENTS OVER THE PAST 24 HOURS.

5. YESTERDAY MORNING, A BOMB WAS FOUND IN THE OFFICE OF THE MINISTER OF LABOR BEFORE THE START OF THE NORMAL WORK DAY. POLICE WERE UNABLE TO DEFUSE THE BOMB AND IT EXPLODED DESTROYING A GOOD PART OF THE MINISTER'S OFFICE. THE POLICE HAD EVACUATED THE AREA WHERE THE BOMB WAS FOUND AND NO INJURIES HAVE BEEN REPORTED. THE LABOR MINISTER IN THE PAST FEW DAYS HAD BEGUN A WELL-

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PUBLICIZED SERIES OF MEETINGS WITH MILITARY INTERVENTORS AND UNION LEADERS TO DISCUSS MOUNTING DISCONTENT OVER THE WAGE ISSUE.

6. EMBASSY WILL ASSESS SIGNIFICANCE OF INCREASED TERRORIST ACTIONS BY SEPTEL.
CHAPLIN

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